



Thomas A. Schatz
President

September 30, 2003

The Honorable Jim DeMint
432 Cannon House Office Building
Washington, DC 20515

Dear Congressman DeMint:

On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste (CCAGW), we are pleased to support your legislation, the Tax Reform Action Commission (TRAC Act). The TRAC Act would establish a commission to examine the current tax code, develop legislative remedies, and submit the reform recommendations to Congress.

The Internal Revenue Service (IRS) and the U.S. tax code are broken and must be fixed. The Internal Revenue Code has 5.5 million words covering 17,000 pages. As of June 2000, the U.S. Treasury had issued an additional 20,000 pages of regulations and clarifications. The tax code is estimated to cost individuals and businesses more than \$200 billion in 2003 in compliance costs. Additionally, businesses will spend 3.4 billion man-hours doing their taxes, while 1.7 billion man-hours will be spent by individuals. More than half of individual filers need assistance to prepare their taxes.

Taxpayers pay high taxes to a government that provides a poor return on their investment by wasting hundreds of billions of dollars on programs that are duplicate, inefficient, and wasteful. What's worse, the tax code is so Byzantine no one can understand it, yet taxpayers are all subject to an infamous IRS audit for failing to comply. Any type of tax code reform must be simple for individuals and businesses to comply with, simple for a government agency to enforce, and difficult for Washington to make more complex down the road. At CCAGW, we are particularly pleased that your bill would require any reform plan to be 1) simple, transparent and efficient; 2) fair and equitable to all Americans; and 3) neutral between different activities and between current consumption and future consumption.

The American taxpayers demand and deserve a fair tax code. The current code is an abomination, and the initiative to reform it must come from Congress. The TRAC Act is a meaningful step toward fundamental tax code reform. We urge your colleagues to support this legislation. CCAGW will consider any votes on the TRAC Act in its annual Congressional Ratings.

Sincerely,

Thomas Schatz